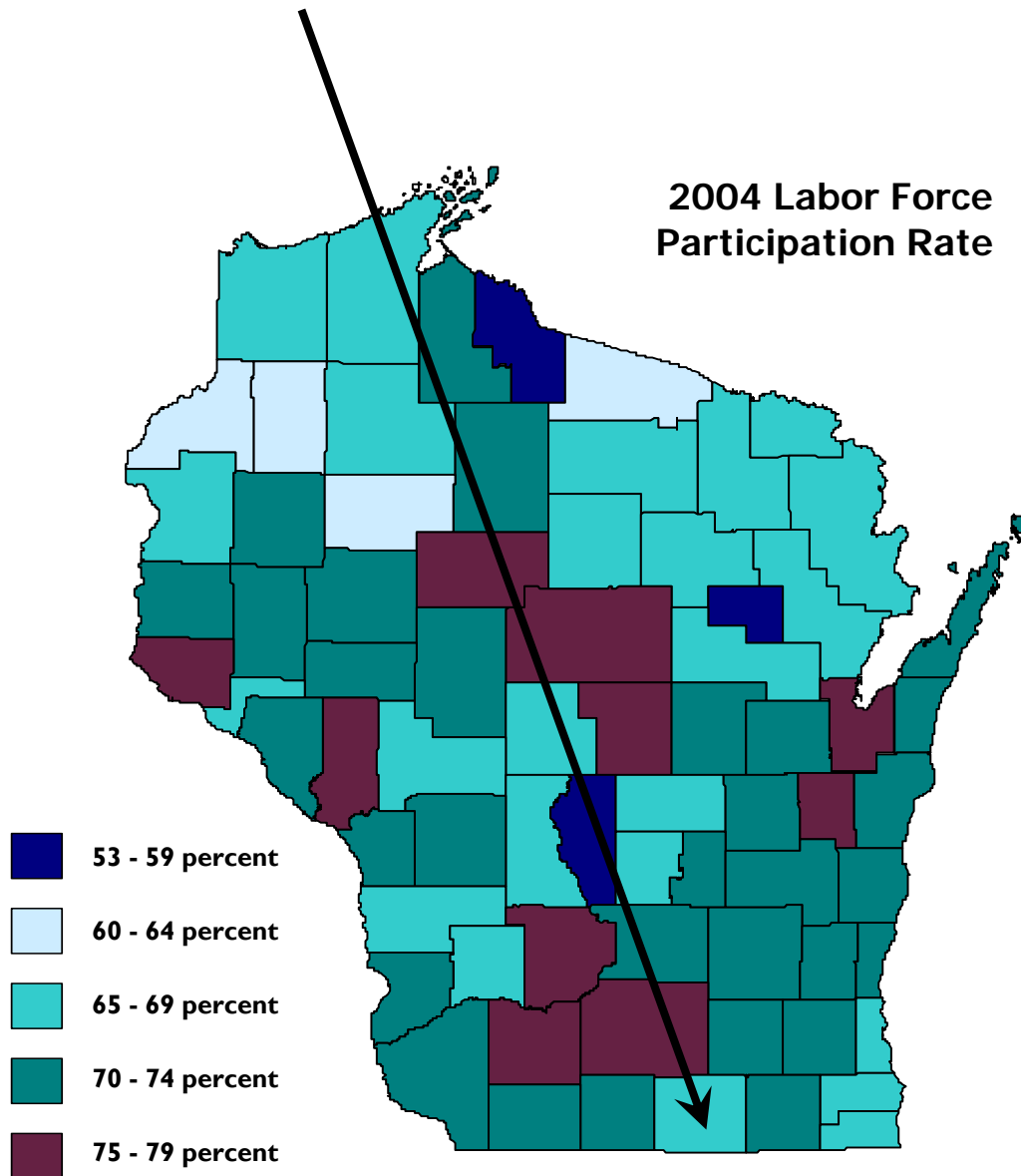


Rock County Workforce Profile



Source: Estimates created by DWD, OEA using data supplied by
U.S. Bureau of Labor Statistics and U.S. Bureau of Census

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State of Wisconsin
Department of Workforce Development
Office of Economic Advisors

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County Population and Labor Force

Rock County's population exhibited a generally positive growth trend over the course of the past five years. Estimates of January 1, 2005 place the county's population at slightly less than 157,000 residents, an increase of nearly 5,000 residents from its 2000 population of 152,307. Comparing this increase to similar growth observed both state-wide and nationally, however, we see that Rock County's growth is rather slow in this context. Over the same period, Wisconsin's population increased by slightly more than four percent, while the nation's population growth rate approached five percent. Similarly, these trends are expected to persist into the next fifteen years. Projecting population estimates to 2020, we see that Rock County is expected to note an increase of 11.4 percent while Wisconsin is expected to increase by slightly less than seventeen percent and the nation will grow by 19.3 percent.

Given this disparity, it seems natural to assume that Rock County will lag behind other state and national trends. However, as this profile will demonstrate, this is a false assumption in many regards.

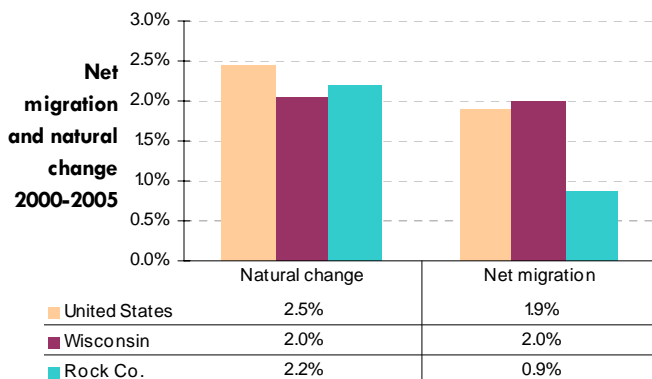
Turning our attention to a discussion of population growth in a sample of Rock County's municipalities, we see that much of the county's population growth was concentrated in the City of Janesville. This concentration seems logical, as Janesville represents the county's largest municipality. On a per-

Five largest municipalities in Rock County

	April 2000 Census	Jan. 1, 2005 estimate	Numeric change	Percent change
Rock County	152,307	156,994	4,687	3.1%
Janesville, City	60,200	62,130	1,930	3.2%
Beloit, City	35,775	36,106	331	0.9%
Beloit, Town	7,038	7,319	281	4.0%
Milton, City	5,132	5,437	305	5.9%
Edgerton, City*	4,891	5,096	205	4.2%

*Rock County portion only

Source: Wis. Dept. of Administration, Demographic Services, August 2005



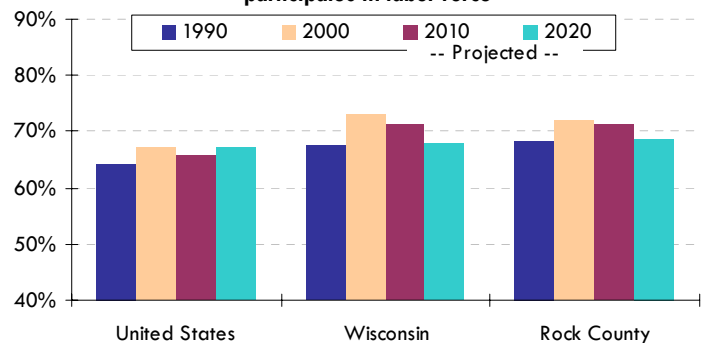
Source: WI Dept. of Admin., Demographic Services & US Census Bureau

Population and Labor Force

	United States	Wisconsin	Rock County
Total population in 2000	281,424,602	5,363,715	152,307
Population est. Jan. 1, 2005	295,160,302	5,580,757	156,994
Change	13,735,700	217,042	4,687
% change	4.9%	4.0%	3.1%
2005 Labor force population*	224,837,000	4,339,938	121,230
Share of total population	76.2%	78%	77.2%
Labor force	147,125,000	3,071,179	84,074
Labor force participation rate	65.4%	70.8%	69.4%
2005 Population 16 yrs. & over	228,621,674	4,417,313	122,587
16-24 yrs old	37,489,370	743,764	20,416
Share of population 16+ yrs	16.4%	16.8%	16.7%
25-59 yrs old	142,248,896	2,708,865	75,097
Share of population 16+ yrs	62.2%	61.3%	61.3%
60 yrs and older	48,883,408	964,684	27,074
Share of population 16+ yrs	21.4%	21.8%	22.1%
Projected population: 2020	335,804,546	6,110,878	169,648
Population 16 yrs. & over	264,085,104	4,869,573	133,487
16-24 yrs old	37,918,865	681,586	17,904
Share of population 16+ yrs	14.4%	14.0%	13.4%
25-59 yrs old	150,678,402	2,756,884	78,756
Share of population 16+ yrs	57.1%	56.6%	59.0%
60 yrs and older	75,487,837	1,431,103	36,827
Share of population 16+ yrs	28.6%	29.4%	27.6%

* civilian population 16 yrs. and older not in an institution

Percent of labor force age population that participates in labor force



Source: special tabulation by OEA using US Census, US Bureau of Labor Statistics, WI Dept. of Admin. estimates and projections

centage basis, however, we see that a number of smaller municipalities, including the Town of Beloit, the City of Milton, and the City of Edgerton increased at a higher rate than Janesville. One anomaly in this trend continues to be the City of Beloit. While the city is the second largest municipality in the county, it experienced a five-year growth rate of only 0.9 percent, or roughly one-sixth the growth of Janesville.

Labor Force

While the population trends reported for Rock County over the course of the past five years may not point to a great deal of encouraging news for the county's workforce, gradual trends in the county's labor force do present a number of positive characteristics. On average, the labor force of Rock County numbered just over 84,000 participants in 2004, just under 80,000 of which were employed. The resulting 5.6 percent annual average unemployment rate marked the lowest annual average rate in the county since 2001. This trend, coupled with general growth in the county's labor force suggest that the county has recovered, at least in part, from the most recent economic downturn. In fact, putting aside the patterns noted in 1991 and 1992 tied to the closure of a number of significant manufacturing facilities in the area, the county's labor force appears to be better positioned to demonstrate continued signs of economic growth than that experienced a decade earlier. Employment figures in the county remain at their highest levels, and unemployment estimates from the same period have also declined, suggesting that economic recovery should continue in the short term.

Rock County Civilian Labor Force Estimates

	Labor force	Employed	Unemployed	Unemployed rate
1990	72,485	68,547	3,938	5.4%
1991	74,524	65,424	9,100	12.2%
1992	75,077	68,991	6,086	8.1%
1993	75,383	70,865	4,518	6.0%
1994	77,013	73,342	3,671	4.8%
1995	79,363	76,163	3,200	4.0%
1996	79,486	76,387	3,099	3.9%
1997	81,016	77,755	3,261	4.0%
1998	80,029	76,869	3,160	3.9%
1999	79,855	76,647	3,208	4.0%
2000	82,813	79,380	3,433	4.1%
2001	83,734	79,163	4,571	5.5%
2002	82,900	77,851	5,049	6.1%
2003	83,471	78,321	5,150	6.2%
2004	84,074	79,383	4,691	5.6%

Source: DWD, Bureau of Workforce Information, Local Area Unemployment Statistics, September 2005

Education Attainment

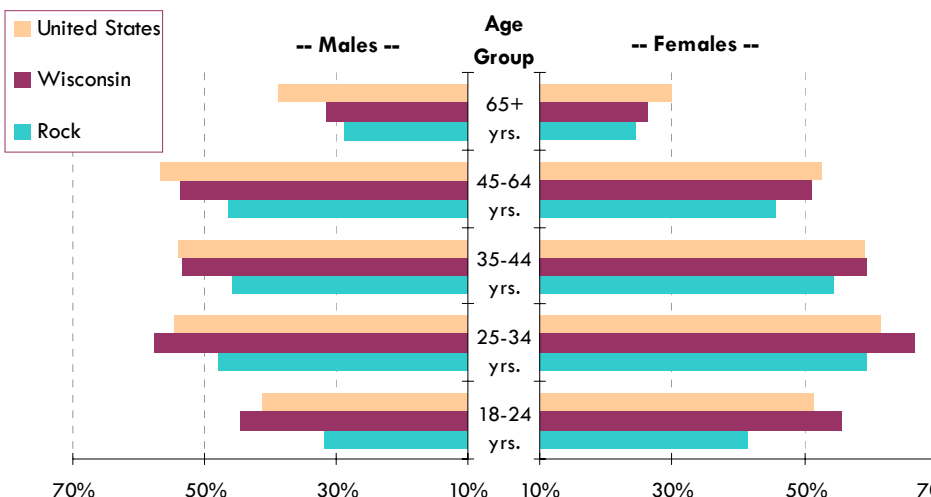
Given the impact that recent and ongoing discussions noted over the course of the past decade concerning issues such as the "brain drain" and the "knowledge economy" have borne on our understanding of a region's workforce, the connection between education and workforce quality appears natural. This connection is particularly important in Rock County, as it is host to a number of resident and commuter-focused educa-

tion institutions and is in close proximity to the University of Wisconsin-Madison and a number of colleges and universities throughout northern and central Illinois. This extraordinary degree of access should suggest that the county is poised to assume a prominent role in future technological growth.

At present, Rock County's population generally lags behind the state and nation with respect to the number of individuals

possessing some post-secondary education, through either a vocational/technical or four-year baccalaureate institution, as distinguished by various age and gender cohorts. What is perhaps the most significant observation to be drawn from the data presented in the chart at left is that Rock County's population possesses a significantly lower percentage of men and women between the ages of 18-24 with some postsecondary education. While this does not necessarily speak to the quality or availability of educational opportunities within the county, it does suggest that most of the county's younger residents seek this education elsewhere.

Residents with post-secondary education



Source: US Census 2000, Summary file 3, QT-P20

Employment and Wages

Looking now at patterns in wages and employment in specific industry sectors in Rock County, we see that the county generally lags behind the state with respect to average annual wages paid by employers located in the county. Across all industries, the county's average annual wage in 2004 was slightly below \$34,000. This marks a 0.2 percent decrease from 2003. While this trend appears puzzling, it is easily explained when viewed with respect to industry growth during the same period when most of the employment losses in the county have been concentrated in the manufacturing sector, which is considered among the county's high wage sectors.

With respect to these high wage sectors, the county is lead by both the natural resources sector, which employs comparatively few individuals in the county yet pays an average annual wage that is eighteen percent above the state average. Conversely, the manufacturing sector, which continues to serve as the economic backbone of Rock County has experienced an ongoing trend of employment losses in 2004, yet continues to pay, on average, 14.6 percent above the state average.

Shifting our focus to those industry sectors in Rock County that are distinguished by virtue of average annual wages that

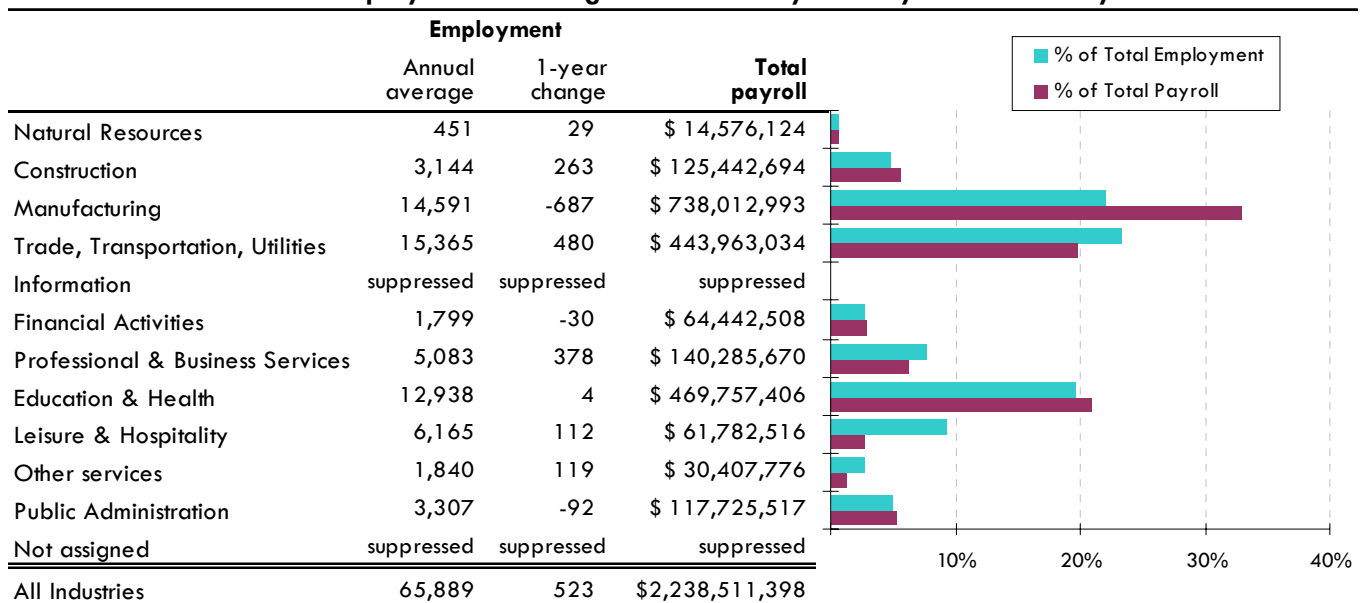
Average Annual Wage by Industry Division in 2004

	2004	2004		
	Average Annual Wage	Average Annual Wage	Percent of	1-year
	Wisconsin	Rock County	Wisconsin	% change
All Industries	\$ 34,749	\$ 33,974	97.8%	-0.2%
Natural resources	\$ 27,399	\$ 32,320	118.0%	2.1%
Construction	\$ 41,258	\$ 39,899	96.7%	1.7%
Manufacturing	\$ 44,145	\$ 50,580	114.6%	-2.2%
Trade, Transportation, Utilities	\$ 30,088	\$ 28,894	96.0%	3.3%
Information	\$ 41,759	suppressed	Not avail.	Not avail.
Financial activities	\$ 45,103	\$ 35,821	79.4%	-0.8%
Professional & Business Services	\$ 39,580	\$ 27,599	69.7%	-2.2%
Education & Health	\$ 36,408	\$ 36,308	99.7%	2.5%
Leisure & Hospitality	\$ 12,295	\$ 10,021	81.5%	2.4%
Other services	\$ 20,207	\$ 16,526	81.8%	0.1%
Public Administration	\$ 36,347	\$ 35,599	97.9%	6.2%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

are significantly lower than the state average, we see that employment growth in the county was led by increases in the trade, transportation and utilities sector and the professional and business services sector. While wages in the trade, transportation, and utilities sector are roughly equal to state averages, employers in Rock County's professional and business services sector pay wages that are, on average 30.3 percent below the state average. Continued growth in this key industry sector should result in future wage growth in the industry. However, given that wages decreased by 2.2 percent over the past year, this pattern remains to be seen.

2004 employment and wage distribution by industry in Rock County



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2005

Industry and Employers by Size

Top 10 Private-sector Employers in Rock County

Establishment	Product or Service	Size (Dec. 2004)
General Motors Corporation	Light truck & utility vehicle mfg.	1000+ employees
Mercy Health System Corp	Gen. medical & surgical hospitals	1000+ employees
Beloit Memorial Hospital Inc	Other accounting services	1000+ employees
Lear Corp Mendon Gen Ptr	Motor vehicle seating & interior trim mfg.	500-999 employees
Lab Safety Supply Inc	Mail-order houses	500-999 employees
Wal-Mart Associates Inc	Warehouse clubs & supercenters	500-999 employees
Frito Lay Inc	Other snack food mfg.	500-999 employees
Job Express of Wisconsin Inc	Temporary help services	500-999 employees
SSI Technologies Inc	Other motor vehicle electric equip. mfg.	500-999 employees
TNT Logistics North America Inc	Gen. freight trucking, long-dist, less than trckld.	500-999 employees

Source: DWD, Bureau of Workforce Information, ES-202, July 2005

Prominent industries in Rock County

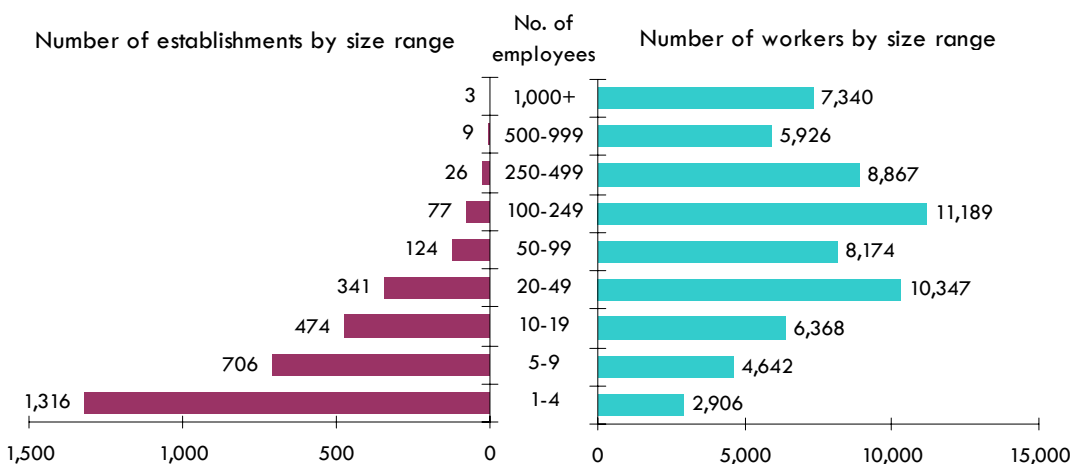
NAICS title	March 2005		Numeric change in employees	
	Establishments	Employees	2004-2005	2000-2005
Educational services	30	5,753	31	361
Transportation equipment manufacturing	10	5,700	79	-1,122
Food services and drinking places	250	4,938	223	122
Hospitals	3	3,536	125	432
Administrative and support services	134	3,013	41	58
Executive, legislative, & gen government	27	2,638	-12	-288
Merchant wholesalers, durable goods	92	2,433	32	495
Ambulatory health care services	123	2,182	463	191
Truck transportation	81	1,980	159	180
General merchandise stores	14	1,858	-100	-287

* data suppressed to maintain employer confidentiality

Column headings revised 02/06

Source: DWD, Bureau of Workforce Information, ES-202, September 2005

Rock County establishments and workers by employment size range in 2004



(1) Data not available due to suppression factors

Source: DWD, Bureau of Workforce Information, Table 221, July 2005

The list of Rock County's largest employers in 2004 continues to be dominated by General Motors Corporation, which both represents a large manufacturing presence in the county and is also supported by several other large employers, including Lear Corporation and SSI Technologies, Inc. Generally, the transportation equipment manufacturing sector, which represents the second largest industry sector in Rock County is rather concentrated, and has therefore experienced a number of long-lasting economic and employment shocks over the past several years.

Expanding our focus to account for other large employers and industry sectors, we see that the county's three hospitals, led by Mercy Health System and Beloit Memorial Hospital represent a significant presence in the county, a pattern which is only expected to intensify over the coming years as demands for health services from an aging population increase. Similarly, it is expected that both the number of ambulatory health care centers and employment within these centers will increase in response to ongoing demand.

Finally, wholesale trade firms continue to capitalize on the county's proximity to the I-39/43/90 corridor.

Per Capita Personal Income

One final economic indicator that suggests that Rock County should enjoy ongoing and increasing economic prosperity in the coming years is the county's per capita personal income. While there are a number of obvious advantages to relying on average annual wages as an indicator of the economic well-being of the county's industry sectors, per capita personal income, or PCPI, is generally recognized as a superior measure of the county's economic vitality, as it distributes all income, regardless of the source across the county's total population. Specifically, this indicator accounts for income sources that average annual wage measures do not, such as investment income and wages earned through employment outside the county.

In 2003, Rock County's PCPI stood at \$28,256. This figure was sufficient to rank the county 25th among the state's 72 counties. However, Rock County did lag behind both the United States and Wisconsin in this measure by a difference of 11.3 percent and 8.5 percent, respectively. This again suggests, as was noted in the disparate growth in the county's population that Rock County continues to experience a number of recessionary trends that have already passed both the state and nation, as a whole.

Viewing PCPI from a regional perspective, we see that Rock County's per capita income is significantly lower than Dane County's measure of \$36,455. While much of this disparity is easily accounted for by the large concentration of government and educational employment in Dane County, one would expect for this gap to close within the coming years, as commuting patterns between the two counties in-

crease. Wage growth in key industry sectors should also result in ongoing income growth within the county.

From a five-year perspective, this trend bears out. Between 1998 and 2003, Rock County's per capita income increased by 14.1 percent. While this is again below state and national averages, it is suggestive of future positive growth.

Wisconsin Counties 2003 Per Capita Personal Income and Rank in State

Area	2003	Rank	5-yr growth	Rank	Area	2003	Rank	5-yr growth	Rank
United States	\$ 31,472		17.1%		Manitowoc	\$ 27,807	27	13.6%	59
Wisconsin	\$ 30,685		17.2%		Marathon	\$ 29,992	16	22.0%	5
Adams	\$ 22,804	59	16.1%	37	Marinette	\$ 25,448	39	21.3%	9
Ashland	\$ 23,204	55	16.6%	32	Marquette	\$ 22,590	64	26.5%	1
Barron	\$ 24,922	41	15.2%	44	Menominee	\$ 18,449	72	19.8%	16
Bayfield	\$ 22,660	62	13.4%	60	Milwaukee	\$ 31,419	7	19.5%	18
Brown	\$ 32,076	5	17.8%	25	Monroe	\$ 23,467	54	16.8%	31
Buffalo	\$ 29,083	20	17.2%	28	Oconto	\$ 24,842	42	12.3%	66
Burnett	\$ 22,796	60	17.1%	29	Oneida	\$ 28,646	22	18.7%	21
Calumet	\$ 31,880	6	21.4%	8	Outagamie	\$ 30,952	11	20.5%	14
Chippewa	\$ 25,999	36	12.3%	67	Ozaukee	\$ 47,527	1	14.7%	48
Clark	\$ 22,227	66	13.9%	55	Pepin	\$ 24,407	44	13.0%	64
Columbia	\$ 30,846	12	18.2%	24	Pierce	\$ 27,963	26	18.6%	23
Crawford	\$ 22,628	63	20.9%	13	Polk	\$ 24,201	46	13.9%	54
Dane	\$ 36,455	3	21.0%	12	Portage	\$ 27,464	30	21.1%	11
Dodge	\$ 26,048	35	13.3%	61	Price	\$ 24,361	45	12.2%	68
Door	\$ 30,657	13	15.9%	40	Racine	\$ 31,271	8	15.0%	45
Douglas	\$ 23,568	53	15.3%	43	Richland	\$ 23,829	51	21.9%	6
Dunn	\$ 22,885	58	14.9%	47	Rock	\$ 28,256	25	14.1%	50
Eau Claire	\$ 27,469	29	17.5%	27	Rusk	\$ 20,461	71	14.0%	52
Florence	\$ 24,146	47	25.3%	3	Sauk	\$ 28,780	21	19.5%	19
Fond du Lac	\$ 29,951	17	16.1%	38	Sawyer	\$ 23,921	50	22.3%	4
Forest	\$ 21,975	68	25.4%	2	Shawano	\$ 23,941	49	13.9%	56
Grant	\$ 24,116	48	15.6%	42	Sheboygan	\$ 31,251	9	19.8%	17
Green	\$ 28,542	23	14.0%	51	St. Croix	\$ 31,091	10	13.6%	57
Green Lake	\$ 26,962	32	8.1%	72	Taylor	\$ 23,020	56	16.6%	34
Iowa	\$ 27,308	31	19.2%	20	Trempealeau	\$ 25,242	40	18.7%	22
Iron	\$ 22,912	57	21.1%	10	Vernon	\$ 20,950	70	15.7%	41
Jackson	\$ 26,084	34	21.9%	7	Vilas	\$ 25,664	37	13.0%	63
Jefferson	\$ 29,330	18	16.5%	35	Walworth	\$ 27,626	28	13.6%	58
Juneau	\$ 22,382	65	12.7%	65	Washburn	\$ 22,794	61	16.0%	39
Kenosha	\$ 29,117	19	16.5%	36	Washington	\$ 35,196	4	14.9%	46
Kewaunee	\$ 25,536	38	8.8%	71	Waukesha	\$ 41,551	2	12.2%	69
La Crosse	\$ 28,284	24	16.8%	30	Waupaca	\$ 26,863	33	14.0%	53
Lafayette	\$ 21,983	67	10.1%	70	Wausara	\$ 21,762	69	13.2%	62
Langlade	\$ 23,739	52	20.4%	15	Winnebago	\$ 30,359	15	16.6%	33
Lincoln	\$ 24,725	43	14.6%	49	Wood	\$ 30,401	14	17.7%	26

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2005